



ROBERT RYANS  
Director


## COMMUNITY AND SENIOR SERVICES OF LOS ANGELES COUNTY

BOARD OF SUPERVISORS

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April 29, 2002

To: Supervisor Zev Yaroslavsky, Chairman  
Supervisor Gloria Molina  
Supervisor Yvonne Brathwaite Burke  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: Robert Ryans, Director 

Subject: **APRIL 29, 2002 SUPPLEMENTAL AGENDA ITEM 111-H - MOTION BY  
SUPERVISOR BURKE**

This is in response to the above-mentioned motion by Supervisor Burke which addresses an April 26, 2002 Los Angeles Times article regarding a CSS funded organization. The article reported that a settlement had been reached between the United Community Resource Agency (UCRA) and the District Attorney (DA) in an ongoing investigation of this agency. The motion directs the Auditor Controller (A/C) to conduct a review of both CSS' and DPSS' monitoring practices. The following provides a report on our ongoing coordination with the DA and the steps I have taken to improve the organizational and operational functions of CSS to improve CSS' monitoring policies and procedures.

### DISTRICT ATTORNEY COORDINATION

#### Clarification of Statements in L.A. Times Article of April 26, 2002

In the investigation by the DA, CSS cooperated fully in maintaining extreme confidentiality. In this respect, CSS was requested to temper any monitoring findings and coordinate the release of these findings with the DA in order not to impede their investigation. As a result, CSS was placed in an awkward position of holding monitoring findings disclosed by CSS monitors during a routine monitoring visit in May 2001 in order to cooperate with DA. The findings were later released in October 2001 and resulted in disallowed costs in UCRA's REP program.

The L.A. Times article of April 26, 2002, which reported that the County had continued funding UCRA, even after discovery, is a mischaracterization of the facts. CSS was cooperating with the DA in not taking action against UCRA until such time that the DA had finalized their investigation.

#### Future Coordination with the District Attorney

CSS met with the District Attorney's office on April 29, 2002 to explore how CSS can assist the DA's Public Integrity Division in the future. I anticipate that this action will ensure sound collaboration and coordination. This action will not only allow for better coordination but will offer an opportunity for CSS to work closer with the DA through concurrent monitoring activities.

## **CSS ORGANIZATIONAL AND OPERATIONAL INITIATIVES**

### **Department Reorganization/New Leadership**

Since my appointment as CSS Director, it has been my priority to strengthen the CSS organizational and operational structure through a series of initiatives designed to achieve workforce excellence and accountability. Among the initiatives are, (1) the appointment of Josie Marquez as the Director of the Employment and Training (E & T) Branch effective April 1, 2002; (2) the reorganization of the E & T Branch including the creation of an Administrative Division to support contracts management activities for the entire branch effective May 15, 2002; and, (3) the hiring of a Departmental Personnel Officer effective March 2002, whose priority assignment is to arrange and schedule training for staff on Fraud Awareness, Contracts and Request For Proposal Development, Supervision and New Manager training.

***Desirable Outcomes: Through the implementation of the above initiatives, I am confident that CSS' organization and grants/contracts management activities will be strengthened.***

### **Strengthening of CSS Monitoring Practices**

CSS has taken a proactive role in strengthening its monitoring practices and has instituted a new way of doing business. We have developed and implemented various initiatives and policies to ensure contract compliance and contractor fiscal accountability. They are as follows:

- Development of an Administrative Division for the E & T Branch, effective 05/01/02.
- Development and implementation of a centralized monitoring system and instrument.
- Monthly on-site monitoring visits and/or desk reviews.
- Negotiating an agreement with the Employment Development Department (EDD) to coordinate placement verification against EDD's UI Wage Base System.
- Mid-year review of all contract expenditures for the purpose of de-obligation and re-obligation of funds.
- Comprehensive review and validation of job placements.
- Joint monitoring with other CSS program monitors on commonly contracted agencies.
- Effective July 1, 2002, CSS' RFP's, Contracts and Billing documents will be modified to include language that the submission of these documents are submitted under penalty of perjury.

### **Application of Enhanced Monitoring System**

As of October 2001, E & T Branch monitoring staff have applied the above procedures and enhancements to their monitoring practices, and have encountered positive results. A comprehensive review of RITE, REP and the Department of Labor funded W-t-W programs was conducted to ensure that similar activities, as in the case of UCRA, were not prevalent among

other contractors.

***Desirable Outcomes: I am confident that CSS has been diligent in enhancing its monitoring practices and has developed a proven mechanism for ensuring contract compliance and fiscal integrity by its contractors.***

Auditor Controller Review of CSS Monitoring Practices

As of February 2002 the Auditor Controller (A/C) has been conducting a review of CSS' monitoring procedures for the REP and RITE programs. This review is the second phase of the June 12, 2001 Board ordered review of the RITE program. In the first phase, the A/C reviewed general program delivery practices by the Refugee providers in the area of GEARS utilization, sanction activity and job placements.

The A/C second phase review consists of reviewing CSS' monitoring policy and procedures, the instruments and documentation used by CSS for monitoring and the efficiency of CSS operations in the administration of REP and RITE programs. This review is ongoing and the anticipated completion date is May 2002.

In addition to the A/C review, CSS has collaborated with the City of Los Angeles in procuring an independent audit firm to conduct a fiscal audit of UCRA's contracts under the Workforce Investment Act (WIA) including REP and RITE. This audit is in process and is expected to be completed within two (2) months. This action has been taken to be responsive to the Department of Labor on the impact of the UCRA incident on WIA funded services and funding.

***Desirable Outcomes: The above actions will assist CSS in isolating any contractor issues or CSS monitoring practices requiring stricter controls. Upon completion of these actions, CSS will develop and implement a plan for further strengthening our monitoring practices.***

I fully embrace the Board's motion ordering a review of CSS' and DPSS' monitoring practices. I look forward to working with the A/C and anticipate that an audit of CSS monitoring practices will be beneficial in further strengthening our policies and procedures for monitoring. The issue of contracts management and monitoring is of my utmost priority and as such will receive my focused attention. I will keep you informed on this issue. If you have any questions, please contact me or your staff can contact Josie Marquez, Director of Employment and Training, at (213) 738-3175.

RR:JM:jm  
Attachment

C: David E. Janssen  
Lloyd W. Pellman  
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